Colt CZ Group signed a joint venture agreement in Hungary

**Prague (December 22, 2022)** – Colt CZ Group SE hereby announces that on December 22, 2022, it signed a Joint Venture Agreement (“JVA“) with N7 Holding Ltd., a state-owned Hungarian company. Under the JVA, both parties plan to establish a joint stock company (“JV“) Colt CZ Hungary. Colt CZ Group will own a 51% stake in the JV and the Hungarian government a 49% stake.

The establishment of the JV should further enhance the existing cooperation between Colt CZ Group and the government of Hungary under the framework of technology transfer from 2018. The aim of the JV is to establish a small arms production facility on the Hungarian soil to provide military-grade firearms for the Hungarian Armed Forces. The incorporation of the JV is subject to regulatory approvals and other permissions in Hungary and is expected to become effective in Q1/Q2 2023.

*“I would like to extend my thanks to our Hungarian partners for their continued trust and long-term cooperation, which we are now moving to the next level. The established JV will operate the state-of-the-art facility in which the Hungarian state invested over the past three years. Our common goal is to rearm the Hungarian Armed Forces with modern small arms and to help Hungary build its own production capacity in this field. We are proud that Hungary has chosen our company as a partner for this strategic project,”* says **Jan Drahota, CEO and Chairman of the Board of Directors of Colt CZ Group.**

In the joint venture company, the Hungarian side will provide the production facility, manufacturing technologies, and qualified workforce. Colt CZ Group will provide its manufacturing know-how, supply chain, and access to its vast commercial network.

This joint venture follows the successful cooperation under the transfer of technology framework agreement signed in 2018 between Colt CZ Group and the Hungarian state, which purchased licenses to assemble and manufacture four products from the Česká zbrojovka portfolio – the CZ P-07 and P-09 pistols, the CZ Scorpion EVO 3 carbines, and the CZ BREN 2 rifles. The project has been running in the state-owned M.o.D. ARZENÁL plant in Kiskunfélegyháza.

**About Colt CZ Group SE**

Colt CZ Group (Colt CZ) is one of the leading producers of firearms for military and law enforcement, personal defense, hunting, sport shooting, and other commercial use. It markets and sells its products mainly under the Colt, CZ (Česká zbrojovka), Colt Canada, CZ-USA, Dan Wesson, Spuhr, and 4M Systems brands.

Colt CZ is headquartered in the Czech Republic and has production facilities in the Czech Republic, the United States, Canada, and Sweden. It employs more than 2,000 people in the Czech Republic, the USA, Canada, Sweden, and Germany. Colt CZ is owned by Česká zbrojovka Partners SE from 76.9%, with the remaining 23.1% being a free float.

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